



ASRS REPORT

ARIZONA STATE RETIREMENT SYSTEM

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May 2007

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at weeklyreport@azasrs.gov, and provide your name, email address, telephone number and title and organization, if applicable.

ASRS News

ASRS Legislation

Governor Napolitano has signed into law two bills from this session's Legislature that affect the ASRS.

SB 1200 (public supplemental defined contribution plans) was signed on April 18. This bill provides for some changes that relate to the ASRS Supplemental Retirement Savings Plan, a new, voluntary defined contribution program the ASRS will be rolling out in coming weeks.

HB 2145 (ASRS long term disability amendments) was signed on April 24. This bill provides for changes that will affect Social Security offsets, the pre-existing look back provisions, and the recover of overpaid monies. The new provisions apply ONLY to a member who becomes disabled on or after July 1, 2008.

The 48th Session of the Arizona Legislature is winding down, and there are still a number of bills that deal with retirement issues making their way through the legislative process. The ASRS has provided information and analysis on a number of bills that are aimed primarily at improving services and producing savings that will help mitigate future increases in contribution rates and ensuring the longevity of the ASRS trust.

You can view a more detailed summary of the bills that have been passed, those still under consideration, and those that have died by viewing the ASRS Bill Tracker, a document posted on our website and updated weekly.

Information is also available on the state legislature's website, www.azleg.gov.

At the conclusion of the session, the ASRS will compile a 2007 Legislative Summary that will detail new laws that come out of this session, and when they will take effect.

ASRS Trustees Confirmed by Senate

Three members of the ASRS Board of Trustees were confirmed by the state Senate on April 23.

They are:

- Thomas J. Connelly, President and Chief Investment Officer of Versant Capital Management Inc. He serves as a Public representative on the nine-member Board.

- James J. McLaughlin, President of Local 99 of the United Food and Commercial Workers Union in Phoenix. He also serves as a Public representative on the Board.
- Jaime Gutierrez, Assistant Vice President for Community Relations at the University of Arizona. Mr. Gutierrez represents Educators on the Board.

To learn more about the ASRS Board of Trustees, including biographies on current members as well as meeting schedules, agendas and minutes, please visit our website.

We want you to know . . .

The Arizona State Retirement System does not seek unsolicited information from members or retirees via email, by telephone, or by coming to your home.

We have received reports from members who have been solicited for personal information or fraudulent attempts to review their pension balances. The ASRS will never seek information in these matters, and urges members and retirees to guard their personal information closely.

Contribution Rates for next fiscal year

Contribution rates for the 2007-08 fiscal year paid by active members and their employers will increase slightly beginning July 1.

Based on an annual actuarial analysis of the defined benefit plan, health insurance premium benefit and long term disability programs, the contribution rate will increase from 9.1 percent this year to 9.6 percent beginning July 1, 2007. Because the ASRS pension plan is a match plan, the employee and the employer each pay the contribution rate.

The new contribution rate of 9.6 percent reflects 9.1 percent for the defined benefit plan and health insurance premium benefit, and 0.5 percent for the long term disability plan. The LTD rate has remained steady the past five years.

The increase is primarily due to past improvements to the benefit package, low historic contribution rates, lower mid-term investment returns, and changing member demographics. Improved investment performance over the past two years has helped mitigate larger increases in the contribution rate.

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Know Your Benefits

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

Getting Ready to Retire

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the "Calendars" section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Services Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

ASRS Board & Committee Meetings

ASRS Board of Trustees

Friday, May 16, 2007, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

External Affairs Committee

Friday, May 4, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Investment Committee

Monday, June 18, 2007, 5:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Operations Committee

Thursday, June 28, 2007, 10:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.